

# Presentation of the Proposed Budget and Capital Management for the Fiscal Year 2019

May 1, 2018



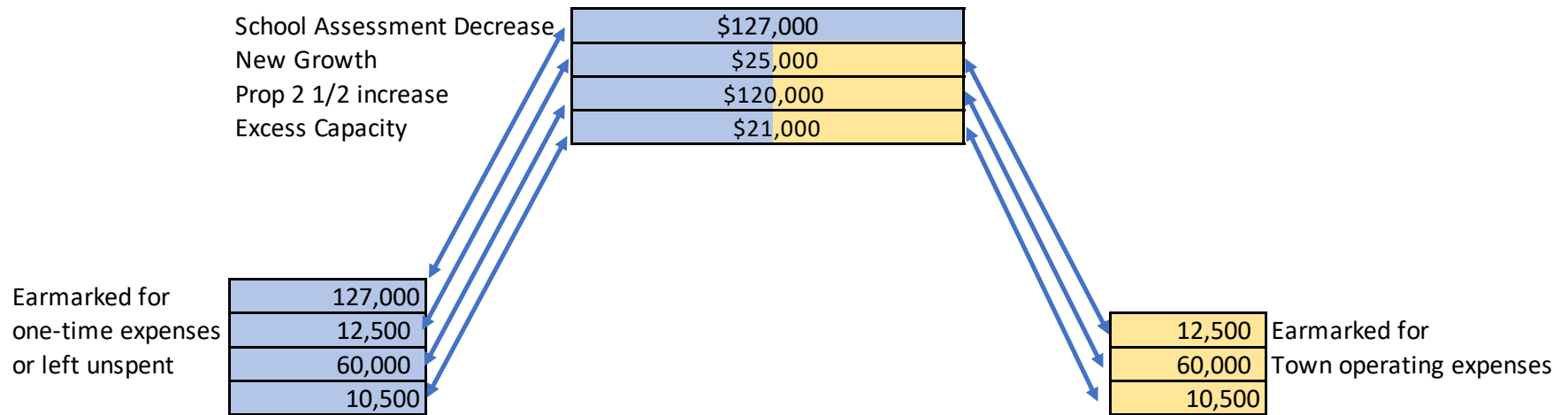
# Fiscal Year 2019 Proposed Budget Goal

Leverage current opportunities  
to create an FY19 budget  
that is within our levy limit  
while planning the same for future  
years.

# Fiscal Year 2019 Proposed Budget Opportunities

School Assessment decrease  
Level cost of medical insurance premiums

# Fiscal Year 2019 Proposed Budget Strategy



- All capacity in blue is planned in FY19 to be available in FY20 to “absorb” a school assessment increase.
- Half of new growth and Prop 2 ½ increase is reserved for school because school is approximately half our annual budget.

# Fiscal Year 2019 Proposed Budget

## Strategy Continued

### Capacity for FY20 school assessment increase

100% of School assessment reduction*	\$127,000
50% of new growth	\$ 12,500
50% of Prop 2 ½ increase	\$ 60,000
50% of Excess Capacity	<u>\$ 10,500</u>
Total	\$210,000

\* Does not include assessment for school roof and boiler debt service that is excluded from Prop 2 ½ limits

# Fiscal Year 2019 Proposed Budget

## Basic breakdown

Total Operating	\$ 5,633,848
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(0.44% increase v. FY18)

Town Operating	\$ 2,849,528
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(9.60% increase v. FY18)

School	\$ 2,784,320
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(7.48% decrease v. FY18)

# Fiscal Year 2019 Proposed Budget Highlights

- Replace Permanent Part-time Police Officer with Full Time Officer (includes Police Academy training) resulting in two extra shifts of coverage
- 2% COLA and contractual increases
- No rate increase for employee health insurance
- Increase to Retirement Assessment
- Reduction in Liability Insurance
- Raise & appropriate \$150,000 for Stabilization Fund
- Reinstate Saturday Transfer Station Attendant
- Wage increases for three positions (Library Asst, Transfer Station Attendant, Highway Clerical)
- First time budget for Agricultural Commission
- Increase police facility rental

# Fiscal Year 2019 Proposed Budget

## Trend Analysis

Fiscal Year 2016- Fiscal Year 2019

	FY16	FY17	FY18	FY19 (proposed)
<b>Budget Appropriations - Categorical Share</b>				
General Government	7.1%	6.4%	6.0%	6.2%
Highway	18.7%	18.2%	17.2%	17.2%
Schools	50.9%	51.4%	53.7%	50.5%
Culture and Recreation	2.1%	2.0%	2.0%	2.0%
Protection Pers & Prop	6.8%	6.6%	6.2%	6.9%
Health & Human Svc	2.0%	2.0%	1.9%	2.1%
Debt & Interest	3.6%	4.2%	3.9%	2.8%
Unclassified	8.8%	9.1%	9.0%	12.2%
<b>Total Budget</b>	<b>\$5,098,372</b>	<b>\$5,306,468</b>	<b>\$5,609,249</b>	<b>\$5,633,848</b>
<b>Increase v. Previous Year</b>	<b>3.3%</b>	<b>4.1%</b>	<b>5.7%</b>	<b>0.4%</b>
<b>Tax Rate</b>				
	<b>\$9.60</b>	<b>\$9.80</b>	<b>\$10.45</b>	
<b>Increase v. Prev Year</b>	<b>1.7%</b>	<b>2.1%</b>	<b>6.6%</b>	



# Fiscal Year 2019 Proposed Budget

## Town Operating Budget

Cumulative Increases	\$288,337
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(\$150,000 is raising & appropriating for Stabilization Fund)

Cumulative Decreases	\$263,838
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(\$168,065 is decrease is school assessment)

Net Budget Increase	\$ 24,499
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Increase is < ½% from FY 18

Tax Rate Impact based on FY 18 value and total revenue is \$ .05

# FY19 Proposed Budget-Town Operating

## Significant Line Item Increases v. FY18

Stabilization Fund	\$ 50,000
Police Full Time Officer	\$ 24,741
Retirement	\$ 19,656
Employee COLA 2%/Contract	\$ 16,317
Transfer Station Shift	\$ 4,865
Transfer Station Expenses	\$ 3,000
Police Rental	\$ 3,000
Assessors' Consultant	\$ 2,500
Veteran's Benefits	\$ 2,000
Selectmen Contingency	\$ 2,000
Police Expense	\$ 1,750
Board of Health Software	\$ 1,600
Library Assistant Wage	\$ 1,040

# FY19 Proposed-Town Operating

Amounts to Raise & Appropriate - one year only

Stabilization	\$100,000
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Broadband Procurement	\$ 20,000
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Umpachene Falls Rd Bridge ROW	\$ 8,000
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Library Door Openers	\$ 5,800
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Fire Dept Turnout Gear Washer	<u>\$ 4,000</u>
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	\$ 137,800
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# Fiscal Year 2019 Proposed Budget

## Budget request increases not included

Police coverage (2 shifts)	\$ 14,198
Electronic Voting machine	\$ 5,000

## Line item reductions

Highway Diesel	\$10,000
General Insurance	\$10,000

# Fiscal Year 2019 Proposed Budget

## Southern Berkshire Regional School District Budget

### FY 2019 total five town school assessment

Operating & Trans	\$ 12,946,370
Capital	<u>\$ 358,461</u>
Subtotal	\$ 13,304,831
Roof/Boiler Bond	<u>\$ 273,017</u>
	\$ 13,577,848

### FY 2019 New Marlborough assessment at 20.92%

Operating & Trans	\$ 2,709,304
Capital	<u>\$ 75,016</u>
Subtotal	\$ 2,784,320
Roof/Boiler Bond	<u>\$ 57,135</u>
	\$ 2,841,455

# Fiscal Year 2019 Proposed Budget

## School Budget

### Historical Share and % of Town Budget

### SBRSD

	FY16	FY17	FY18	FY19 (proposed)
<b>Grand Total School Budget</b>	<b>15,423,783.00</b>	<b>15,863,678.00</b>	<b>16,366,713.00</b>	<b>16,690,011.00</b>
<b>NM % of Assessed Budget</b>	<b>20.71%</b>	<b>22.04%</b>	<b>22.82 %</b>	<b>20.92%</b>
<b>NM Total Assessment</b>	<b>2,709,299.00</b>	<b>2,938,274.00</b>	<b>3,143,681.00</b>	<b>2,841,455.00</b>
<b>Percent of Town Budget</b>	<b>50.38%</b>	<b>50.01%</b>	<b>50.86%</b>	<b>45.79%</b>

# Fiscal Year 2019 Proposed Capital Management

## Free Cash and Stabilization Resources

Stabilization Fund Balance	\$557,187
Reserved	<u>&lt;\$287,000&gt;</u>
Available for use FY19	\$270,187
Free Cash Balance	\$731,574
Reserved	<u>&lt;\$287,000&gt;</u>
Available for use FY19	\$444,574

# Fiscal Year 2019 Proposed Capital Management Debt Service Schedule

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Town Hall	13,715.00	13,358.00			
Hwy Truck	39,795.00	38,758.00			
Loader	18,341.00	18,036.00	17,731.00		
Hwy Truck	25,328.00	24,907.00	24,485.00		
Hwy Truck	48,168.00	47,276.00	46,384.00	45,492.00	
Fire Truck	77,000.00	74,800.00	72,600.00	70,400.00	68,200.00
School Roof/Boiler	19,544.00	98,161.00	57,135.00	98,161.00*	98,161.00*
Grader**				40,000.00**	40,000.00**
<b>Total</b>	<b>241,891</b>	<b>315,296</b>	<b>218,335</b>	<b>254,053</b>	<b>206,361</b>

\*School Roof/Boiler amounts estimated after FY 19

\*\*Proposed on warrant; not yet approved by voters—estimated payment



# Fiscal Year 2019 Proposed Capital Management

## Proposed Free Cash Expenditures

Certified Free Cash	\$731,574
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Road Projects	\$ 260,000
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Highway Garage Paving	\$ 75,000
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Tree Maintenance	<u>\$ 10,000</u>
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	\$ 386,574
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Less Reserve (5%)	<u>\$ 287,000</u>
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Remainder	\$ 99,574
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# Fiscal Year 2019 Proposed Capital Management

## Proposed Stabilization Expenditures and Additions

Stabilization Fund Bal.	\$ 557,187
Transfer from Free Cash	\$ 0
Raise and Appropriate	<u>\$ 150,000</u>
Subtotal	\$ 707,187
Less reserve (5%)	<u>\$ 287,000</u>
Available FY 2020	\$ 420,187

# Fiscal Year 2019 Proposed Capital Management Proposed Debt

Purchase road grader	\$325,000
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Approximately annual debt service of \$40,000, to be excluded from limits of Prop 2 ½

- Approval to borrow requires a 2/3 vote at Annual Town Meeting
- Debt exclusion requires a ballot vote at Town Election

# Fiscal Year 2019 Proposed Capital Management

## Five Year Management Plan FY18-FY22

### Plan Elements

- Projections of Capital Funds—Stabilization and Free Cash
- Projections of Debt Service
- Estimates of timing and costs of capital investments (20 years of anticipated projects verified by historical spending)

# Fiscal Year 2019 Proposed Capital Management

## Five Year Management Plan Cont'd

### Scenario 1 – FY19

- Continue “tradition” of transferring \$50,000 from Free Cash to Stabilization Fund
- Re-establish “tradition” of raising & appropriating \$50,000 for Stabilization Fund

Result – NSF for capital projects in FY22

Shortfall of \$125,000+

# Fiscal Year 2019 Proposed Capital Management

## Five Year Management Plan Cont'd

### Scenario 2 – FY19

- Continue “tradition” of transferring \$X from Free Cash to Stabilization Fund
- Increase amount raised & appropriated in FY19 to \$150,000 for Stabilization Fund

Result – reduces shortfall in FY22  
To \$25,000

# Fiscal Year 2019 Proposed Capital Management

## Five Year Management Plan Cont'd

### Caveats

- Does not account for Broadband expenditures – assume Prop 2 ½ exempt borrowing or service/lease payments
- Does not account for Town Hall renovations – in early planning stage
- Large anticipated projects in FY25
  - Total purchases in excess of \$1MM
  - Fire brush truck, PD cruiser, Heavy Hwy truck and backhoe

Result – We must embrace opportunity to r&a \$150,000 for Stabilization AND seek additional opportunities in next five years to expand our capital resources

# Fiscal Year 2019 Presentation Conclusion

Questions, comments and discussion